Control over price hike

1384. SHRI K.E. ISMAIL:
SHRIMATI HEMA MALINI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that recent forced hike in petroleum products prices has cascading effects on prices of essential items like vegetables, sugar, pulses, edible oils, etc. which is affecting badly the poor and the middle class;

(b) whether the hike has also affected the bus fares, taxi and auto fares;

(c) whether Government have taken any steps to control the price rise of essential items for the benefits of the poor; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Sir, there is no evidence of any one to one correspondence between price of petroleum products and price of essential items. Petroleum products prices, particularly transportation fuels, have an indirect impact on prices through transportation costs. In recent times, because of increased competition and the Indian Railways not raising freight charges by absorbing any higher fuel burden through increased operational efficiency, the transmission of higher petroleum products prices through transportation charges has been muted. Nevertheless, in order to keep inflation under check, Government has, in the recent past, taken various measures, which include strict fiscal and monetary discipline, lowering of duties, effective management of supply and demand of essential commodities through import, strengthening of the public distribution system and curbing of export of certain commodities. On November 29,2006, prices of petrol and diesel were reduced by Rs. 2 and Rupee 1 per liter, respectively.

Increase in loans for Small Scale Industries

t1385. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether Government are considering to increase loans for Small Scale Industry sector;

(b) if so, the details thereof; and

(c) the total loans disbursed to Small Scale Industry sector duing the last three years as on date, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Government has announced a Policy Package in August, 2005 which envisages doubling of credit flow from the public sector banks to the small and medium enterprises (SME) over a period of five years starting 2005-06. This policy would provide adequate enhancement of credit to SME sector.

(c) The outstanding amounts of loan disbursed to Small Scale Industry sector by Public Sector Banks during the last three years *i.e.* as at the end of March 2004, March 2005 and March 2006 are Rs. 58278 crore, Rs. 67634 crore and Rs. 82492 crore respectively.

Opening of Bank Branches in Pakistan

1386. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether as a result of Confidence Building Measures (CBM) between India and Pakistan Government have decided to permit Pakistan Banks to open their branches in India and also Indian Banks seek similar facilities in Pakistan;

(b) if so, the number of Pakistan Bank's branches in India and number and details of Indian Banks who seek facilities to open branches in Pakistan; and

(c) the details of steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. An understanding has been reached between the Reserve Bank of India (RBI) and the State Bank of Pakistan (SBP) on granting permission for opening two branches of banks from India and Pakistan in each other's country, on a reciprocal basis. The specific banks to be permitted to open the branches would be mutually